

IN THE INCOME TAX APPELLATE TRIBUNAL "SMC" BENCH, KOLKATA

BEFORE SHRI RAJESH KUMAR, AM

ITA No.2360/KOL/2024

(Assessment Year:2018-19)

**Pavitra Sales LLP (Successor
of Pavitra Sales Private
Limited)**

8, Camac Street, 10th Floor,
Room No. 1011, Kolkata,
West Bengal, 700017

(Appellant)

I.T.O., Ward - 7(1)

Aayakar Bhawan, P-7,

Chowringhee Square, Kolkata,

West Bengal, 700069

Vs.

(Respondent)

PAN No. AAVFP0119Q

Assessee by : Shri Miraz D. Shah, AR

Revenue by : Shri Madumita Das, DR

Date of hearing: 16.04.2025

Date of pronouncement : 21.04.2025

ORDER

Per Rajesh Kumar, AM:

This is an appeal preferred by the assessee against the order of the National Faceless Appeal Centre, Delhi (hereinafter referred to as the "Ld. CIT(A)") dated 27.09.2024 for the AY 2018-19.

02. The only issue raised by the assessee is against the confirmation of addition of ₹18,60,000/- by the Id. CIT (A) which was made by the Id. AO u/s 68 of the Act as unexplained cash credit.
03. The facts in brief are that the case of the assessee was reopened u/s 147 of the Act after following the prescribed procedure provided in the Act, such as issuing notice u/s 148A(b) of the Act and after taking into account the reply of the assessee and passing the order u/s 148A(d) of the Act on 29.03.2022 and thereafter notice u/s 148 of the Act was

issued on 29.03.2022. The assessee purchased shares worth ₹19 lacs from M/s Cosimo Developers Pvt. Ltd. (CDPL), which were allotted on 14.02.2012. The assessee sold these shares on 10.04.2017 and 16.08.2017 to M/s Akul Multitrade Pvt. Ltd. for a consideration of ₹18,60,000/-. The case of the assessee was reopened on the ground that the assessee has received funds to the tune of ₹18,60,000/- from M/s Akul Multitrade Pvt. Ltd. during the year under consideration while the assessee submitted before the Id. AO that the money was received in lieu of sale of shares. The AO also issued notice u/s 133(6) of the Act to M/s Akul Multitrade Pvt. Ltd. to verify the transactions and the said notices were duly replied by the said party confirming the transactions and an affidavit was also filed by the said party. The Id. AO however treated the same as unexplained cash credit u/s 68 of the Act by disbelieving the evidences filed by the assessee and added the same to the income of the assessee.

04. In the appellate proceedings, the order of the Id. AO confirmed by the Id. CIT (A) by dismissing the appeal of the assessee.
05. After hearing the rival contentions and perusing the materials available on record, we find that the assessee has purchased shares of M/s Cosimo Developers Pvt. Ltd. (CDPL) of ₹19 lacs on 14.02.2012, which were paid through banking channel for which the assessee has produced the copy of bank statement of IndusInd Bank from which it is evident that the assessee made payment on 14.02.2012, to purchase said shares. These shares were sold during the year to M/s Akul Multitrade Pvt. Ltd. from whom the assessee received ₹18,60,000/- in lieu of these shares. We note that the assessee filed all the evidences before the Id. AO as well as before the Id. CIT (A) qua this share transactions. We also note that the notice issued u/s

133(6) of the Act to M/s Akul Multitrade Pvt. Ltd., was duly responded with all details along with affidavit confirming the said transactions with the assessee. Under these circumstances, we do not find any basis to sustain the addition as these transactions stands fully explained. Moreover, the addition cannot be made merely on the ground that the assessee received such funds from M/s Akul Multitrade Pvt. Ltd. when there was a proper basis for those money received. Considering these facts and circumstances, we set aside the order of the Id. CIT (A) and direct the Id. AO to delete the addition.

06. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 21.04.2025.

Sd/-
(RAJESH KUMAR)
(ACCOUNTANT MEMBER)

Kolkata, Dated: 21.04.2025

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Kolkata